REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

SECOND DIVISION

ESSEX PHARMACEUTICALS, INC.,
Petitioner,

- versus -

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

CTA CASE NO. 10742

Members:

RINGPIS-LIBAN, *Chairperson,*
MODESTO-SAN PEDRO, *and*
FERRER-FLORES, *JJ.*

Promulgated:

JAN .. 2025 4:25 pm

x -- x

RESOLUTION

RINGPIS-LIBAN, J.:

Before this Court is respondent's **Motion for Reconsideration (Re: Decision dated 20 August 2024 [*sic*][1])** filed on October 1, 2024, with petitioner's **Comment [on Respondent's Motion for Reconsideration (Re: Decision dated 20 August 2024) dated 1 October 2024]** filed on November 18, 2024.

On September 10, 2024, the Court promulgated a Decision granting petitioner's claim for refund of erroneously paid value-added tax (VAT), the dispositive portion of which reads as follows:

> "**WHEREFORE**, in the light of the foregoing considerations, the instant *Petition for Review* is **GRANTED**.
>
> Accordingly, respondent is ordered to refund or issue a tax credit certificate in favor of petitioner the amount of **₱9,659,284.22** representing VAT erroneously paid on January 24, 2020, January 27, 2020, January 31, 2020, April 13, 2020 and April 21, 2020, respectively, on the importation of medicines intended for the treatment of persons with diabetes.

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[1] The *Decision* was promulgated on September 10, 2024.

SO ORDERED."

While perusing respondent's Motion for Reconsideration, the Court however finds that the said Motion must be denied outright for non-compliance with Section 3, Rule 7 of the 2019 Amendments to the 1997 Rules of Civil Procedure,[2] which reads as follows:

> "**Section 3.** *Signature and address.* — (a) **Every pleading and other written submissions to the court must be signed by the party or counsel representing him or her**.
>
> (b) **The signature of counsel constitutes a certificate** by him or her that he or she has read the pleading and document; that to the best of his or her knowledge, information, and belief, formed after an inquiry reasonable under the circumstances:
>
> (1) It is not being presented for any improper purpose, such as to harass, cause unnecessary delay, or needlessly increase the cost of litigation;
>
> (2) The claims, defenses, and other legal contentions are warranted by existing law or jurisprudence, or by a non-frivolous argument for extending, modifying, or reversing existing jurisprudence;
>
> (3) The factual contentions have evidentiary support or, if specifically so identified, will likely have evidentiary support after availment of the modes of discovery under these rules; and
>
> (4) The denials of factual contentions are warranted on the basis of evidence or, if specifically so identified, are reasonably based on belief or a lack of information.
>
> (c) If the court determines, on motion or ***motu proprio*** and after notice and hearing, that this rule has been violated, it may impose an appropriate sanction or refer such violation to the proper office for disciplinary action, on any attorney, law firm, or party that violated the rule, or is responsible for the violation. Absent exceptional circumstances, a law firm shall be held jointly and severally liable for a violation committed by its partner, associate, or employee. The sanction may include, but shall not be limited to, non-monetary directive or sanction; an order to pay a penalty in court; or, if imposed on motion and warranted for effective deterrence, an order directing payment to the movant of part or all of the reasonable attorney's fees and other expenses directly resulting from the violation, including attorney's fees for the filing of the motion for sanction. The lawyer or law firm cannot pass on the monetary penalty to the client." *(Emphases and underscoring supplied)*

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[2] Administrative Matter No. 19-10-20-SC, took effect on May 1, 2020.

Perforce, Section 3, Rule 1 of the Revised Rules of the Court of Tax Appeals,[3] as amended, provides that the Rules of Court shall apply in a suppletory manner to the rules and proceedings before this Court.

Every law student is taught that an unsigned pleading creates no legal effect, such that the party may be deemed not to have filed a pleading at all.[4] The magnitude of the signature of counsel on each and every pleading filed before the court, as well as the consequences of the failure to abide by this rule, has even been amplified in the amendments introduced to the 1997 Rules of Civil Procedure by Administrative Matter (A.M.) No. 19-10-20-SC.[5] At this juncture, it cannot be overly emphasized the significance of a counsel's signature on a pleading or other written submissions filed before the Court, as this signature supplied the same with legal effect and elevated its status from a mere scrap of paper to that of a legal document.

While it can be argued that the defect was a mere technicality that could be set aside, the Court however time and again reiterates that procedural requirements which have often been disparagingly labeled as mere technicalities have their own valid *raison d' etre* in the orderly administration of justice. To summarily brush them aside may result in arbitrariness and injustice, as relaxation in the application of the rules was never intended to forge a bastion for erring litigants to violate the rules with impunity.[6]

WHEREFORE, premises considered, respondent's Motion for Reconsideration (Re: Decision dated 20 August 2024 [*sic*]) is **DENIED** for lack of merit.

SO ORDERED.

MA. BELEN M. RINGPIS-LIBAN
Associate Justice

We Concur:

MARIA ROWENA MODESTO-SAN PEDRO
Associate Justice

CORAZON G. FERRER-FLORES
Associate Justice

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3 A.M. No. 05-11-07-CTA, November 22, 2005

4 *Vicente M. Gimena v. Atty. Salvador T. Sabio*, A.C. No. 7178, August 23, 2016.

5 *Spouses Oscar l. Mariano and Lolita Maliwat-Mariano, et al. v. Atty. Roberto C. Abrajano, et al.*, A.C. No. 12690. April 26, 2021.

6 See *Republic of the Philippines, represented by the Land Registration Authority v. Kenrick Development Corporation*, G.R. No. 149576. August 8, 2006